

Office of the State Board of Education

Analyst: Borden

Historical Summary

OPERATING BUDGET	FY 2003 Total App	FY 2003 Actual	FY 2004 Approp	FY 2005 Request	FY 2005 Gov Rec
BY FUND CATEGORY					
General	5,247,700	4,604,600	5,067,500	5,189,600	5,097,100
Dedicated	1,164,800	474,200	130,900	631,900	632,900
Federal	373,000	196,600	148,200	5,230,800	5,230,800
Total:	6,785,500	5,275,400	5,346,600	11,052,300	10,960,800
Percent Change:		(22.3%)	1.3%	106.7%	105.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,493,000	1,170,700	1,206,700	1,517,100	1,528,400
Operating Expenditures	5,193,200	4,067,800	4,044,000	8,216,500	8,145,200
Capital Outlay	2,600	0	0	31,500	0
Trustee/Benefit	96,700	36,900	95,900	1,287,200	1,287,200
Total:	6,785,500	5,275,400	5,346,600	11,052,300	10,960,800
Full-Time Positions (FTP)	21.00	21.00	19.40	21.00	21.00

Division Description

The State Board of Education is responsible for the general supervision, governance, and control of Idaho's public education system from kindergarten through the doctoral level, including oversight of public schools and the community colleges.

The Board is composed of eight members, seven of whom are appointed to five-year terms by the Governor subject to Senate confirmation. The eighth member is the holder of the statewide elected office of the Superintendent of Public Instruction. The Board meets across the state in nine to twelve regular sessions each year with additional special sessions scheduled as needed.

Recently, the State Board of Education has taken a larger role in K-12 education via development, adoption and implementation of achievement standards for Idaho's public school students. The Board is also reassuming the role and duties of 'State Education Agency' that it had previously delegated to the Superintendent of Public Instruction.

The Office of the State Board of Education (OSBE) provides professional staff support to the State Board of Education. Staff expertise focuses primarily on program evaluation, fiscal oversight and centralized record keeping. OSBE staff also responds to Board requests for special studies, monitors agency compliance with Board policies, and administers the state-funded financial aid programs.

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2004 Original Appropriation	19.40	5,067,500	5,346,600	19.40	5,067,500	5,346,600
Reappropriations	0.00	6,800	595,400	0.00	6,800	595,400
FY 2004 Total Appropriation	19.40	5,074,300	5,942,000	19.40	5,074,300	5,942,000
Non-Cognizable Funds and Transfers	0.00	0	5,377,800	0.00	0	5,377,800
FY 2004 Estimated Expenditures	19.40	5,074,300	11,319,800	19.40	5,074,300	11,319,800
Removal of One-Time Expenditures	0.00	(6,800)	(5,973,200)	0.00	(6,800)	(5,973,200)
Base Adjustments	(0.40)	0	(39,400)	(0.40)	0	(39,400)
FY 2005 Base	19.00	5,067,500	5,307,200	19.00	5,067,500	5,307,200
Personnel Cost Rollups	0.00	16,800	24,000	0.00	16,800	24,000
Inflationary Adjustments	0.00	69,700	69,700	0.00	0	0
Replacement Items	0.00	33,100	33,100	0.00	0	0
Nonstandard Adjustments	0.00	(7,600)	(7,600)	0.00	(7,600)	(7,600)
Change in Employee Compensation	0.00	10,100	11,100	0.00	20,400	22,400
FY 2005 Program Maintenance	19.00	5,189,600	5,437,500	19.00	5,097,100	5,346,000
1. State Education Agency Assumption	2.00	0	5,114,800	2.00	0	5,114,800
2. Health Professions Development	0.00	0	500,000	0.00	0	500,000
FY 2005 Total	21.00	5,189,600	11,052,300	21.00	5,097,100	10,960,800
Change from Original Appropriation	1.60	122,100	5,705,700	1.60	29,600	5,614,200
% Change from Original Appropriation		2.4%	106.7%		0.6%	105.0%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2004 Original Appropriation	19.40	5,067,500	130,900	148,200	5,346,600

Reappropriations

Reappropriation authority -- otherwise known as carryover -- allows unspent funds from the prior fiscal year to be carried over and spent in the current fiscal year. Those moneys are then removed as one-time expenditures before calculating the FY 2005 Base. Carry over requires specific legislative authorization and must be approved every year. Few appropriations receive reappropriation authority.

Agency Request	0.00	6,800	412,200	176,400	595,400
Governor's Recommendation	0.00	6,800	412,200	176,400	595,400

FY 2004 Total Appropriation					
Agency Request	19.40	5,074,300	543,100	324,600	5,942,000
Governor's Recommendation	19.40	5,074,300	543,100	324,600	5,942,000

Non-Cognizable Funds and Transfers

The Office of the State Board of Education has or will receive non-cognizable FY 2004 revenue from three separate sources. Two are federal funds, the third miscellaneous revenue from a private source. The State Board of Education has assumed the role of State Education Agency from the state Department of Education, so will now receive the federal money distributed to each such state agency. It amounts to \$4,847,800 for the current fiscal year. Another \$30,000 in federal funds were received from the U.S. Department of Education for the Advanced Placement Improvement Project. Finally, \$500,000 in private funds were received for Health Professions Workforce Development initiative. See Enhancement Three for more details on this project.

Agency Request	0.00	0	500,000	4,877,800	5,377,800
Governor's Recommendation	0.00	0	500,000	4,877,800	5,377,800

FY 2004 Estimated Expenditures					
Agency Request	19.40	5,074,300	1,043,100	5,202,400	11,319,800
Governor's Recommendation	19.40	5,074,300	1,043,100	5,202,400	11,319,800

Removal of One-Time Expenditures

The amounts carried over from FY 2003 as well as the non-cognizable funds are one-time moneys for FY 2004 and thus removed prior to calculating the FY 2005 Base.

Agency Request	0.00	(6,800)	(912,200)	(5,054,200)	(5,973,200)
Governor's Recommendation	0.00	(6,800)	(912,200)	(5,054,200)	(5,973,200)

Base Adjustments

The federal grant for Idaho's MOST (Maximizing Opportunities for Students and Teachers), a teacher standards initiative, ended in early FY 2004.

Agency Request	(0.40)	0	0	(39,400)	(39,400)
Governor's Recommendation	(0.40)	0	0	(39,400)	(39,400)

FY 2005 Base					
Agency Request	19.00	5,067,500	130,900	108,800	5,307,200
Governor's Recommendation	19.00	5,067,500	130,900	108,800	5,307,200

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Personnel Cost Rollups					
Includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are: health insurance rates which are projected to increase by 17 percent, from \$5,548 to \$6,493 per employee; and retirement system (PERSI) rates that will increase by over 6% to 10.39 and 10.73 percent of salary for regular and police/firefighter members, respectively.					
Agency Request	0.00	16,800	0	7,200	24,000
Governor's Recommendation	0.00	16,800	0	7,200	24,000
Inflationary Adjustments					
Includes a general inflationary increase of 1.9% for applicable operating expenditures. Base funding for a number of items, including Attorney General, State Controller, State Treasurer, property/casualty insurance and the like, are removed prior to applying the inflationary factor to the remaining operating expenses.					
Agency Request	0.00	69,700	0	0	69,700
<i>The Governor recommends no increase for general inflation.</i>					
Governor's Recommendation	0.00	0	0	0	0
Replacement Items					
OSBE requests \$1,600 to upgrade various software packages, \$10,000 to replace five desktop computers, \$15,000 to replace five laptop computers, \$6,000 to replace one server and \$500 for miscellaneous office equipment.					
Agency Request	0.00	33,100	0	0	33,100
<i>Not recommended by the governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
Nonstandard Adjustments					
The Statewide Cost Allocation Plan assesses state agencies for their actual use of Attorney General, State Controller and State Treasurer services. Also included are changes in property/casualty insurance premiums and the cost of office space leased to state agencies by the Department of Administration.					
Agency Request	0.00	(7,600)	0	0	(7,600)
Governor's Recommendation	0.00	(7,600)	0	0	(7,600)
Change in Employee Compensation					
Reflects the cost of a 1% salary increase for permanent and group positions.					
Agency Request	0.00	10,100	1,000	0	11,100
Governor's Recommendation	0.00	20,400	2,000	0	22,400
FY 2005 Program Maintenance					
Agency Request	19.00	5,189,600	131,900	116,000	5,437,500
Governor's Recommendation	19.00	5,097,100	132,900	116,000	5,346,000

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. State Education Agency Assumption

The 2003 Legislature rejected an administrative rule that had designated the state Department of Education as the State Education Agency (SEA) for the purposes of accepting and administering federal funds. As a result, the State Board of Education reassumes the State Education Agency role, per Section 33-110, Idaho Code, along with the appurtenant oversight responsibilities of more than \$90 million in federal K-12 educational funds under the No Child Left Behind (NCLB) Act and the twenty titled programs contained therein. These responsibilities include performing all fiscal functions, e.g. fund draws, maintaining and monitoring fund balances, auditing, and disbursing to the state Department of Education for distribution to the school districts. Administrative duties include setting federally funded program priorities, establishing direction, program review, assuring compliance with federal laws and regulations, and compiling and submitting reports to the U.S. Department of Education. These are duties that were previously performed by the state Department of Education but are significant new responsibilities for the State Board of Education.

This enhancement requests spending authority totaling \$5.1 million in federal funds to allow the Office of the State Board of Education to fulfill these expanded responsibilities. OSBE does not request any new positions. It will redirect two of its currently authorized positions to SEA duties and requests the transfer of two additional full-time equivalent positions from the Division of Professional-Technical Education to address SEA responsibilities. Neither DPTE position is currently funded or staffed as funding was lost as part of the FY 2002 General Fund holdback. Of the total amount requested, \$314,700 would be used for personnel costs and \$4,800,100, or 94%, for operating expenses. The biggest single item is \$3.6 million for the development and implementation of other academic indicators as required by the federal accountability plan.

Agency Request	2.00	0	0	5,114,800	5,114,800
Governor's Recommendation	2.00	0	0	5,114,800	5,114,800

2. Health Professions Development

The 2002 Legislature adopted HCR 58 that recognized the national and statewide shortage of nurses and also directed the State Board of Education to design a strategic plan for addressing that shortage. The Board was further directed to develop a plan to address specific strategies for expanding nursing education, particularly in rural Idaho; enhance recruitment and retention; carry out ongoing health profession data collection, analysis and projections; provide incentives for attracting nurses into the higher educational system; and encourage them to continue on to advanced degrees. That charge was later expanded beyond just nurses to include all health professions. Subsequently, the State Board of Education drafted a charter for a 15 member "Advisory Committee on Health Professions" to guide this initiative.

The Idaho Hospital Association has pledged \$500,000 toward a Health Professions Task Force in an effort to address the state's nursing shortage. The IHA has asked the State Board of Education to hold these donated and dedicated funds and apply them to a project approved by the association. No state or federal funds will be used for this initiative.

Agency Request	0.00	0	500,000	0	500,000
Governor's Recommendation	0.00	0	500,000	0	500,000

FY 2005 Total					
Agency Request	21.00	5,189,600	631,900	5,230,800	11,052,300
Governor's Recommendation	21.00	5,097,100	632,900	5,230,800	10,960,800

Agency Request

Change from Original App	1.60	122,100	501,000	5,082,600	5,705,700
% Change from Original App	8.2%	2.4%	382.7%	3,429.6%	106.7%

Governor's Recommendation

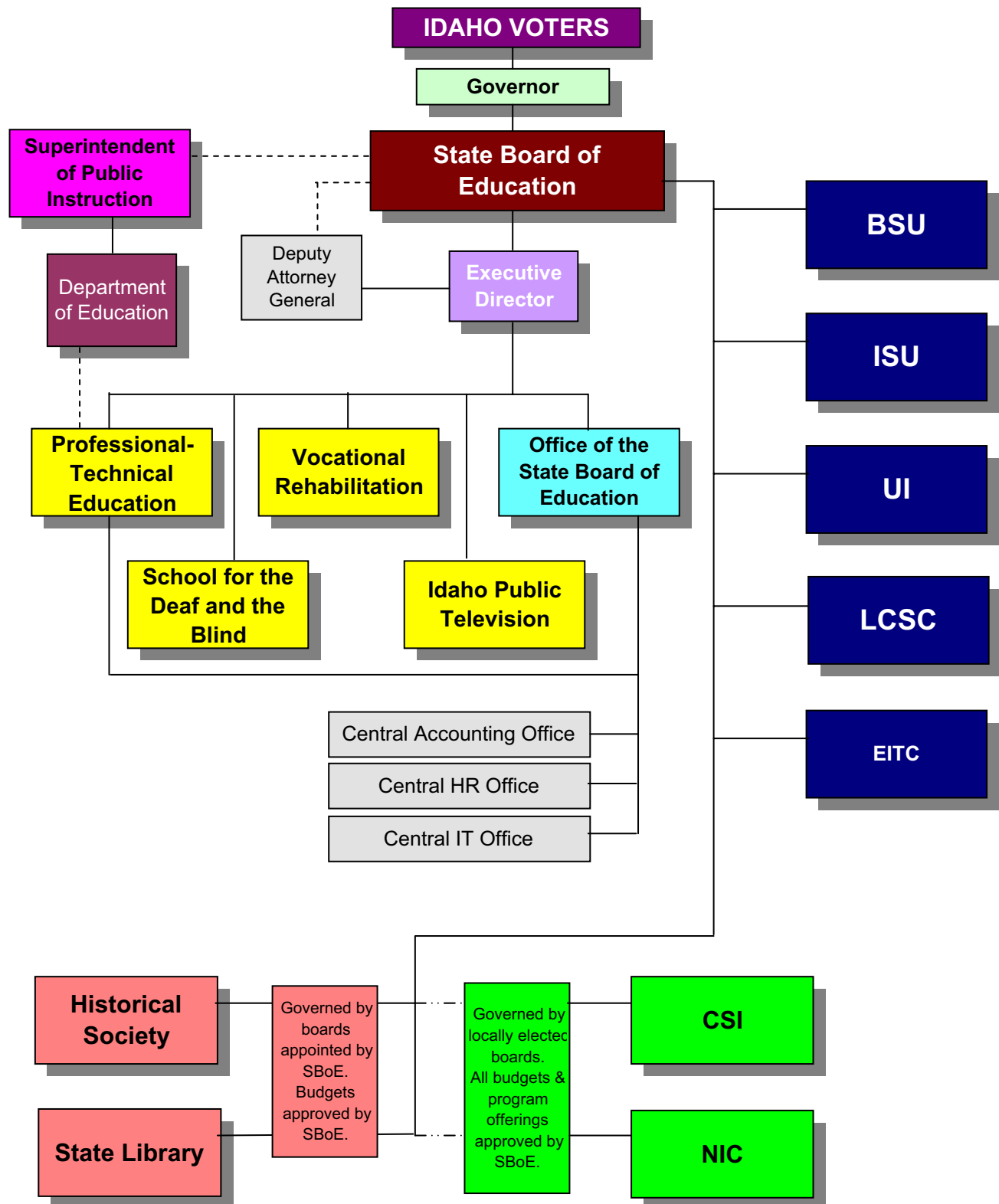
Change from Original App	1.60	29,600	502,000	5,082,600	5,614,200
% Change from Original App	8.2%	0.6%	383.5%	3,429.6%	105.0%

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Issues & Information

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Organization of the State Board of Education

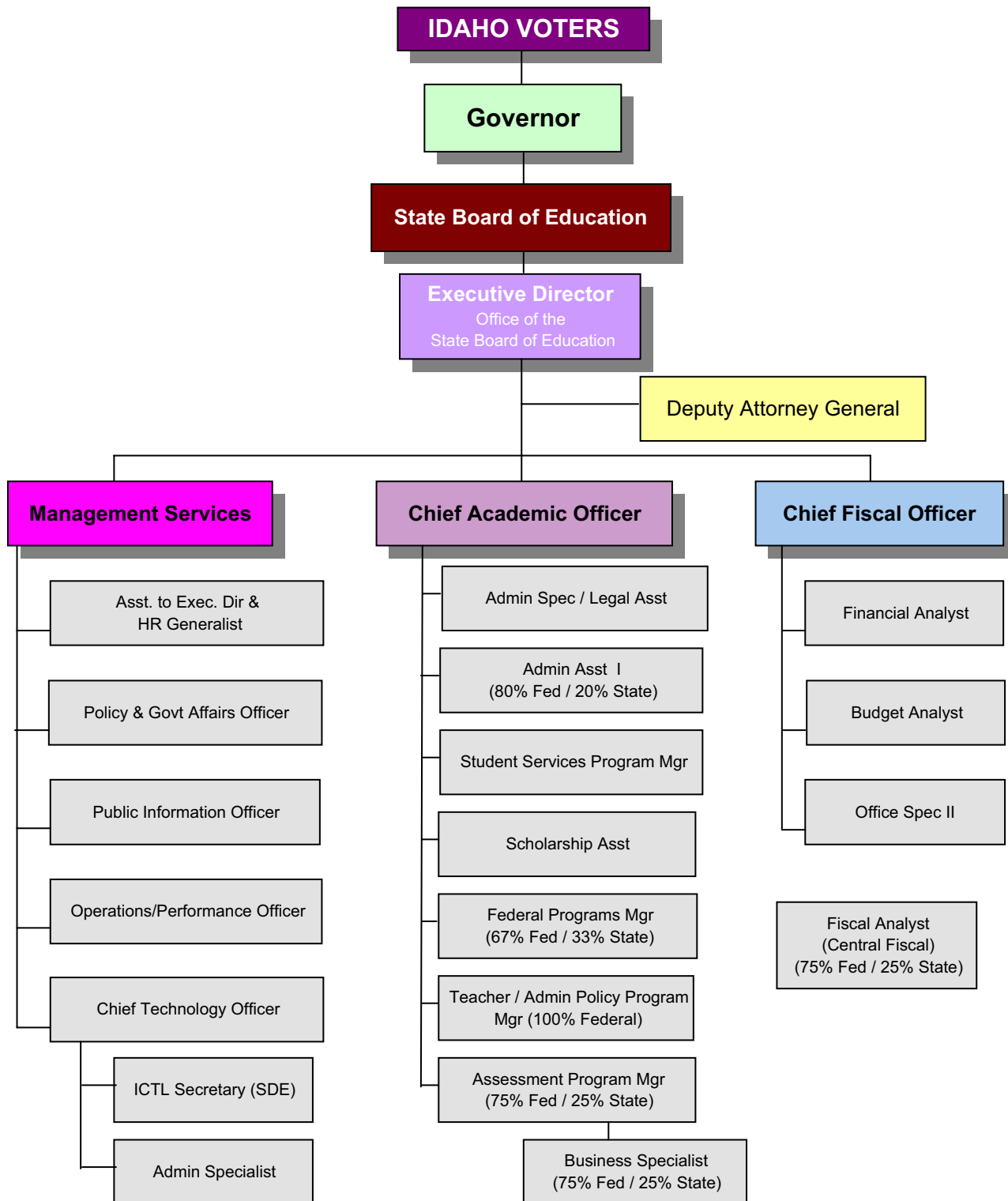


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Organization of the Office of the State Board of Education

19.40 Full-Time Position Equivalents budgeted for FY 2004



Positions funded with General Fund moneys unless otherwise noted.